

# STUDENT NEED

## *Rebuttal Document*

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*129406/FO/2021 – Land at  
Deansgate South, Manchester*

MARCH 2022

## Summary

1. This Rebuttal document has been prepared in response to Nicholas Cole's Proof of Evidence relating to student need.

## Rebuttal

2. The first focus of this Rebuttal relates to the City Council's argument at 3.3 in relation to "*Historic Trends in Manchester's Student Population*" and the presentation of student numbers at Appendix 1 of the accompanying Proof of Evidence of Student Need Appendices document. Throughout, the City Council consistently presents student numbers inclusive of both part-time and full-time students, with the former not relevant to any assessment of need. As outlined in my Proof of Evidence at Paragraph 2, part-time students should not be considered in any assessment of demand for student accommodation. As outlined by Unite Students, the UK's largest provider of PBSA, students looking to live in their accommodation must be a full-time student and be classed as such by their university or college.<sup>1</sup> The University of Manchester states that its guarantee applies to "full-time undergraduate students"<sup>2</sup>, with Manchester Metropolitan University offering the same guarantee<sup>3</sup>. Across the sector, the accepted basis for the calculation of student accommodation demand is full-time students.<sup>4</sup>
3. Latest HESA data for 2020/21 shows that of the 10,095 part-time students studying in Manchester, only 10 were living in PBSA. None claim to be living in university-provided stock.
4. Appendix 1 of the Appendices document and associated commentary at 3.3.2 attempts to show that student numbers in Manchester have fallen from 75,170 in 2010/11 to 73,905 in 2019/20, a figure that is inclusive of full-time and part-time students. At 3.3.5 the City Council states, using full-time and part-time student numbers that "*in the period from 2010/11 to 2019/20 (before the pandemic impacted enrolments) the total number of students enrolled at UoM increased by only 75 (0.02% p.a.) and the number of students enrolled at MMU actually decreased by 1,340 (-0.4% p.a.)*".
5. In fact, over the period 2010/11 to 2019/20, full-time students in Manchester have grown by 2,710 students, with the rise over the 10-year period to 2020/21 7,930 students (13%). The City Council also presents no assessment of the profile of demand over time. In 2010/11, 39,930 full-time students studying in Manchester were from outside the North West of England, whereas in 2019/20 this figure was 43,005 (an increase of 3,075), with this figure rising to 46,710 in 2020/21 (an increase of 6,780).<sup>5</sup>
6. The growth in full-time student numbers is referenced extensively in my Proof at Paragraphs 14-22. It is clear that the Manchester student population has grown over time and is becoming less localised, increasing the demand for bed spaces. There is, therefore, no justification for the City Council's claim at 3.3.6 that "*the Appellant's conclusions on future student numbers is not justified*".

<sup>1</sup> <https://www.unitestudents.com/help/booking-terms/who-can-book-a-room>

<sup>2</sup> <https://www.manchester.ac.uk/study/experience/accommodation/>

<sup>3</sup> <https://www.mmu.ac.uk/study/accommodation/how-to-apply/accommodation-guarantee#:~:text=We%20guarantee%20to%20make%20an,are%20coming%20to%20university%20alone>

<sup>4</sup> <https://researchbriefings.files.parliament.uk/documents/CBP-8721/CBP-8721.pdf>

<sup>5</sup> HESA 2020/21

In fact, I have considered in extensive detail from Paragraph 31-37 that modelling of future student numbers is extremely conservative in both a Manchester and national context.

7. At 3.3.3, the City Council acknowledges the *“sharp increase in students enrolled at UoM and MMU for the 2020/21 academic year”*, which it is claimed is a *“one-off event”*. As outlined at Paragraph 20 and table 3 of my Proof, there is clear evidence that 2021/22 student numbers will show another large increase in enrolments at Manchester universities.
8. At 3.3.1 the City Council states that *“it is my view that there is no evidence to support the assertion that domestic demographic trends can be assumed to directly translate into more undergraduates in Manchester or that any specific institution will necessarily increase their intake to accommodate them”*. In fact, the prevailing view in the sector is that there will be more undergraduate students over the next decade, highlighted by the Higher Education Policy Institute’s view at paragraph 49 of my Proof and the views of the Universities and Colleges Admissions Service (UCAS).<sup>6</sup> Given the position of Manchester’s universities and the ambition of the City Council cited in my Proof for Manchester to be a “world class education hub”, it is highly unlikely its institutions will not form part of further sector growth.
9. The City Council argues at 3.4.1 that discussions around future student numbers are *“particularly pertinent now given the Government’s recent response to the Augar Review”*, and highlights a *“new consultation on a minimum qualification requirement to access loans to go to university which will potentially block a cohort of students from accessing finance and therefore going to university”*. This is a strange reference given the consultation is in relation to the potential exclusion from Higher Education of those who fail to achieve two Es at A-Level which has been widely reported in the media and which was responded to by Universities UK, the collective voice of 140 UK universities.<sup>789</sup> Manchester’s universities are recognised as being world-class, and course entry requirements for the lower tariff institution in the City, Manchester Metropolitan University, show that 104-112 points and above are required for entry to key courses<sup>1011</sup>. This is the equivalent of a B and 2 Cs at A-Level. An E at A-Level is worth 16 points. Of course, the University of Manchester is a world renowned research-intensive institution where typical entry requirements are at AAA or AAB at A-Level.<sup>12</sup> The consultation is therefore likely to have no bearing on Manchester, and in a market environment where the balance of applications is shifting to higher quality institutions, Manchester is well placed to continue to benefit.
10. The City Council notes at 3.4.2 that *“it is my view that the Appellant’s evidence does not robustly consider the ongoing impact of the Covid-19 pandemic on the student population in the city, nor the associated effect of new forms of “hybrid learning” on student demand for accommodation”*. This issue is covered comprehensively at paragraphs 38-42 of my Proof and shows the return to in-

<sup>6</sup> <https://www.bbc.co.uk/news/newsbeat-58056549>

<sup>7</sup> <https://news.sky.com/story/higher-education-plans-to-consider-minimum-grade-requirements-for-student-loans-described-as-soul-crushing-12550125>

<sup>8</sup> <https://www.fenews.co.uk/fe-voices/sutton-trust-responds-to-the-expected-consultation-on-minimum-entry-requirements-as-part-of-the-augar-review/>

<sup>9</sup> <https://www.universitiesuk.ac.uk/what-we-do/creating-voice-our-members/media-releases/uuk-response-governments-interim>

<sup>10</sup> <https://www.mmu.ac.uk/study/undergraduate/course/ba-business-management>

<sup>11</sup> <https://www.mmu.ac.uk/study/undergraduate/course/meng-mechanical-engineering>

<sup>12</sup> <https://www.manchester.ac.uk/study/undergraduate/courses/2023/08584/beng-electronic-engineering/>

person learning and students' appetite to be taught in this manner. It also shows the huge appetite for Higher Education in the 2020/21 academic year and beyond.

11. At 3.5.2 to 3.5.4 the City Council references the Private Rented Sector (PRS) in Manchester City Centre, noting they *"view PRS in the city centre as having an important role to play in supporting a wide choice of accommodation options"*. I am in agreement that a wide choice of accommodation options is important, and as outlined at paragraph 70 of my Proof, the proposed development is set to deliver a range of room types and student services to support the student body. It will introduce a wider choice of accommodation options through the social studio concept and help to increase the number of en-suite and studio beds in the market – an area in which Manchester is underrepresented (Table 10 and paragraph 58 of my Proof).
12. The City Council itself acknowledges that there are "issues that are currently being expressed in the City Centre with students choosing to live in normal family homes"...and they are "occupying homes that should be occupied by working people".<sup>13</sup> The proposed development has the potential to free up such accommodation by providing purpose-built stock suited to the needs of students.
13. At 3.5.10, the City Council states that *"the Appellant's evidence is exaggerating the "addressable market"* and at 3.5.2 that my evidence should not be considered excessive PBSA demand.
14. However, as outlined at paragraph 27 of my Proof, I note in relation to approved application 121252/FO/2018 at Great Marlborough Street, the applicant's Market Context Report (September 2018)<sup>14</sup> notes that "There is a residual population of 24,850 students who do not have the choice of PBSA due to a lack of supply". This figure is 1,468 higher than the figure in Cushman & Wakefield's Evidence of Need Report<sup>15</sup>. As highlighted in my Proof, even under the most conservative 1.5% growth in the demand pool forecast - and a projection of bed spaces higher than the City Council's by 2029/30 - the number of students unable to access PBSA is still set to grow (Table 6 of my Proof). Of course, a proportion of students will always choose to live in HMO accommodation for reasons of affordability and lifestyle, as is the case in every market in the UK. However, choice and a diversity of stock helps to deliver the best outcomes for students.
15. The City Council notes at 3.3.4 that *"Manchester's student population has been internationalising"* and *"that it is predominantly domestic students that live in HMOs in South Manchester"*. I agree – 23% of the Manchester student population is from outside the EU, but only 6% of the student population in the three most popular HMO areas in South Manchester (M14 6, M14 5 and M20 4) is from outside the EU. The international population is growing and shows an appetite for living in more central areas of Manchester. This cohort accounts for 31% of all students living in M15 and 41% of all those living in private rented stock in this postcode area (2020/21<sup>16</sup>).
16. At 3.6.1 the City Council notes that my assessment of the *"PBSA pipeline significantly under-estimates the true scale of planned and expected delivery in the period up to 2029/30"*. Of course, my assessment in CD-A12 was based on publicly available data at the time and I am not privy to internal City Council planning on potential future sites. At Appendix 11 of the City Council's

<sup>13</sup> Manchester City Council Planning and Highways Committee transcript, Thursday 1 July 2021

<sup>14</sup> [https://pa.manchester.gov.uk/online-applications/files/CA92AB628BDCBA9ABD27213E9165651A/pdf/121252\\_FO\\_2018-MARKET\\_REPORT-983773.pdf](https://pa.manchester.gov.uk/online-applications/files/CA92AB628BDCBA9ABD27213E9165651A/pdf/121252_FO_2018-MARKET_REPORT-983773.pdf)

<sup>15</sup> Page 62 – 2018/19 demand pool vs 2018/19 bed supply

<sup>16</sup> HESA

appendices, a rate of delivery is outlined resulting in a total supply of 31,069 beds in 2029/30 (the Council's 10-year average post-2023/24 scenario).

17. As highlighted in my Proof at paragraph 64 and table 6, I have considered a scenario where an additional 500 beds per annum are delivered from 2025/26 (i.e. the period after the currently committed pipeline) that results in a total supply of 31,810 beds, a figure 741 beds higher than the City Council's scenario in 2029/30. Even under the most conservative 1.5% growth in the demand pool forecast and a projection of bed spaces higher than the City Council's, the number of students unable to access PBSA is still set to grow.
18. Finally, the City Council references the student to bed ratio at 3.7.4 noting that *"If supply were to get too high without being accompanied by commensurate student number growth, then the SBR could get too low (c1.5 and below)"*. There is no evidence provided for why "1.5" is too low. As outlined in Table 6 of my Proof, even under a conservative growth scenario of 1.5%, the student to bed ratio is set to stand at 2.04:1 in 2029/30 (and 1.88:1 in 2029/20 under the additional 500 beds per annum scenario). Again, when considering the most pessimistic growth scenario of 1.5% per annum, to arrive at what the Council states is an unhealthy ratio would require the delivery of 10,503 beds over and above those already in the development pipeline. Using the City Council's own analysis at Appendix 11, to arrive at a ratio of 1.5:1 would require 5,611 more beds than even the City Council itself is forecasting will be available in 2029/30.
19. To highlight examples of markets where the student to bed ratio is too low, the City Council references the 2019/20 edition of the Cushman & Wakefield Student Accommodation Annual Report (CD-I23) authored by myself and which notes the difficulties faced in markets such as Liverpool, Sheffield and Newcastle. The City Council notes that *"the pace of development has not been absorbed by the markets and rents have been heavily discounted in some schemes in an attempt to find occupiers". We don't want to replicate this situation in Manchester"*. Over the five year period between 2015 and 2019, Liverpool, Sheffield and Newcastle saw the delivery of 11,639, 9,293 and 9,121 new PBSA beds respectively. This equates to an average of 2,003 beds per market per year. As the City Council's own modelling show at Appendix 11, it is projected that delivery in Manchester will average 496 new beds per annum between 2023/24 and 2029/30 – a figure 75% lower than the average seen across markets where the City Council states at 3.7.5 that *"the pace of development has not been absorbed by the market"*. There is, therefore, absolutely no reason why the Manchester market should experience the same issues if the proposed scheme is permitted and if its own projected pipeline is delivered to the market alongside this.
20. I agree with the City Council that it is sensible and prudent for local authorities to monitor the pace of development and this is something that I have recommended in work for councils elsewhere in the UK (see references 13 and 14 of my proof). However, the Manchester market is not in such a situation. The City Council cites the 1.79:1 ratio<sup>17</sup> highlighted in CD-A12 which is significantly higher than the ratios in Liverpool and Sheffield respectively, which had both fallen below the 1.5:1 highlighted above at 1.36:1 and 1.49:1.<sup>18</sup> Discounting in itself does not signal oversupply (arguably, only a student to bed ratio of 1.0:1 does that) and in fact, market competition in such markets means that the average rents in these markets are far lower than in Manchester, increasing affordable

<sup>17</sup> Note, as stated in CD-A12 this ratio references latest data available at that time, i.e. 2018/19 demand vs 2020/21 supply

<sup>18</sup> Calculations use the same methodology 2018/19 demand vs 2020/21 supply

PBSA choice for students. The average private sector en-suite rent in Liverpool in 2021/22 stood at £136.61 and £132.42 in Sheffield, compared with £180.56 in Manchester.

